Industrial growth

2094. SHRI LALU PRASAD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the industrial growth rate in 2001-2002 was the lowest in the decade;

(b) whether it is also a fact that the export growth rate in 2001-2002 was zero;

(c) whether it is also a fact that Government's management of financial sector has greatly undermined the confidence of our financial institutions; and

(d) if the answers to parts (a), (b) and (c) above be in the affirmative whether Government propose to improve the industrial growth in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) and (b) The industrial growth rate of 2.8 per cent for 2001-02 is the second lowest growth rate registered during the past ten years (1992-93 to 2001-02). The lowest growth rate of 2.3 per cent was registered during 1992-93. The exports growth was near zero during 2001-02.

(c) and (d) The monetary policy measures being announced through annual statements on the Monetary and Credit policy are oriented towards supporting growth and also focus on the structural and regulatory measures to strengthen the financial system and improve the functioning of various segments of the financial market. Further, these measures also aim at strengthening the prudential and supervisory norms improving credit delivery system and developing technological and institutional infrastructure of the financial sector.

The Government has made efforts to accelerate the pace of industrial growth by providing greater freedom in investment decisions keeping in view the objectives of efficiency and competitiveness, technological upgradation, increased exports and infrastructure development. Some of these are mentioned below:

- The Reserve Bank has announced measures for stepping up growth momentum with stimulus to agriculture, housing,

smallscale sector and exports in its credit policy for 2002-03. It also aims at facilitating better credit delivery and moving forward with structural reforms.

- The RBI has cut Cash Reserve Ratio (CRR) to 5 per cent from 5.5 per cent, a move that is likely to release Rs. 5000 crores to banks for lending. This move will ease the liquidity position further.

- Power sector reforms have received a boost in pursuance of the centre's decision to provide grants equal to the amount by which States have been able to reduce their power sector deficits. The States of Haryana, Rajasthan and Andhra Pradesh have been able to reduce losses in the past couple of years. These three States will now be eligible for matching grant under the Accelerated Power Development and Reform Programme (APDRP).

- The draft Electricity Bill has been introduced in the Parliament for facilitating comprehensive power sector reforms.

- The Union Budget 2002-03 has made allocations towards some of the major schemes, which will boost demand especially in construction, housing, steel, and cement sectors. These schemes include PM's Gram Sadak Yojana, Infrastructure Equity Fund, Urban Reform Incentive Fund, City Challenge Fund, and Accelerated Power Development Reform Programme.

- DIPP has entrusted sector-wise studies in respect of capital goods, pulp and paper and cement industries to organisations of international repute with a view to assess global competitiveness of these industries.

Export growth during 2001

2095. SHRI K. NATWAR SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether as compared to most Asian countries, except China, India is the only one to record a positive growth in export;